

Below is an order of the court.

  
TRISH M. BROWN  
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF OREGON

In re

Western Communications, Inc.

Debtor.

Case No. 19-30223-tmb11

**FOURTH INTERIM ORDER  
GRANTING DEBTOR'S MOTION  
FOR AUTHORITY TO USE CASH  
COLLATERAL AND SETTING  
CONTINUED HEARING ON  
OCTOBER 21, 2019 AT 9:00 A.M.**

THIS MATTER having come before the Court upon Debtor's Motion for Authority to Use Cash Collateral (the "Motion") [ECF No. 12], a hearing having been held before the Court, and the Court being duly advised in the premises and finding good cause; now, therefore,

IT IS HEREBY ORDERED that:

1. On an interim basis pending a final hearing on the Motion, Debtor is authorized to use cash collateral in which Sandton Credit Solutions Master Fund III, LP ("Sandton") claims a security interest (the "Cash Collateral") in accordance with the terms of this Order to pay costs and expenses incurred by Debtor in the ordinary course of its business, consistent with the budget attached to this Order as **Exhibit 1** (the "Budget").

**Page 1 of 5 -** FOURTH INTERIM ORDER GRANTING DEBTOR'S MOTION FOR AUTHORITY TO USE CASH COLLATERAL AND SETTING CONTINUED HEARING ON OCTOBER 21, 2019 AT 9:00 A.M.

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2. Debtor's authority to use Cash Collateral is limited to the amounts set forth in the Budget; provided, however, that Debtor may make expenditures in excess of said sums in the Budget so long as any variance shall not exceed 8% of the cumulative expenses as set forth in the Budget, tested on a monthly basis. Debtor may exceed such variances only with the prior written consent of Sandton or by subsequently entered order of this Court. On or before 10 days after the end of each month, Debtor shall deliver to Sandton a report comparing, on a line item and aggregate basis, Debtors' actual performance to the Budget.

3. Debtor's authority to use Cash Collateral, without further order of the Court issued after notice and hearing or the written consent of Sandton, shall automatically expire upon the earlier of (a) October 31, 2019, or (b) regardless of whether Debtor has expended the entire amount set forth in the Budget, the failure by Debtor to comply with any provision of this Order (such failure being an "Event of Default"), which failure is not remedied within five business days after delivery of notice of such failure by Sandton to Debtor (the earlier of such date, the "Termination Date"). Upon the Termination Date, Debtor's authority to use or spend any further Cash Collateral shall automatically terminate unless and until Debtor obtains the written consent of Sandton or a further order of this Court, issued after notice and an opportunity for a hearing; provided, however, that notwithstanding the occurrence of the Termination Date, Debtor shall be authorized to use Cash Collateral to pay those budgeted amounts that have been incurred prior to the Termination Date.

4. As adequate protection for any Cash Collateral used by Debtor, Sandton is hereby granted, pursuant to Sections 361(1) and 363(e) of the Bankruptcy Code, a perfected lien (the "Replacement Lien") to secure an amount of Sandton's prepetition claims equal to the extent of any diminution in value of Sandton's collateral as of January 21, 2019 (the "Petition Date") (the "Diminution") by reason of the use of Cash Collateral authorized herein, whether as a result of physical deterioration, consumption, shrinkage, or otherwise. The Replacement Lien shall attach to all property and assets of Debtor and its estate, of any kind or nature whatsoever,

whether now owned or hereinafter acquired by Debtor, and all products, proceeds, rents, issues, or profits thereof that were either subject to Sandton's security interests or liens as of the Petition Date or acquired as a result of Debtor's use and/or expenditure of Cash Collateral; provided, however, that the Replacement Lien shall not attach to property recovered through the exercise of the powers granted under Sections 506(c), 544, 545, 547, 548 and 549 of the Bankruptcy Code. Granting this security interest to Sandton is for the purpose of providing adequate protection to Sandton to protect its allowed secured claim on the Petition Date and is not intended, nor shall it be deemed, to improve the collateral position of Sandton as of the Petition Date.

5. The Replacement Lien shall be in addition to all other security interests and liens securing Sandton's allowed secured claim in existence on the Petition Date. Additionally, nothing in this Order shall abridge or limit Sandton's security interest in proceeds, products, or profits to the extent provided under Section 552 of the Bankruptcy Code.

6. The Replacement Lien hereunder shall at all times be senior to the rights of Debtor and any successor trustee or estate representative in this case or any subsequent cases or proceedings under the Bankruptcy Code. With respect to the collateral encumbered by prepetition liens in favor of Sandton, the Replacement Lien shall have the same priority as Sandton's prepetition liens in any property or assets acquired by Debtor postpetition of the same nature or type. With respect to any other property acquired by Debtor postpetition to which the Replacement Lien applies, the priority of the Replacement Lien shall be determined as of the date of entry of this Order.

7. The Replacement Lien granted to Sandton by this Order shall be perfected and enforceable by operation of law upon execution and entry of this Order by the Court without regard to whether such Replacement Lien is perfected under applicable non-bankruptcy law. Sandton shall have relief from the automatic stay to allow Sandton to perfect its Replacement Lien under applicable nonbankruptcy law.

8. To the extent the Replacement Lien proves to be inadequate as adequate protection for the Diminution, as further partial adequate protection Sandton shall and hereby does hold allowed administrative claims under Section 503(b) of the Bankruptcy Code, which claims shall have priority over, and be senior to, all other administrative claims against Debtor pursuant to Section 507(b) of the Bankruptcy Code.

9. Debtor shall at all times keep the Prepetition Collateral and the properties to which the Replacement Lien attaches free and clear of all other liens, encumbrances, and security interests, other than those in existence on the Petition Date, and shall pay and discharge when due all taxes, levies, and other charges arising or accruing from and after the Petition Date. Debtor shall at all times maintain the Prepetition Collateral and cause to be maintained policies of insurance providing adequate coverage for the Prepetition Collateral for all property and casualty risks.

10. The provisions of this Order and the effect of any actions taken hereunder shall survive issuance and entry of any order converting this case to one under Chapter 7 of the Bankruptcy Code or dismissing this Chapter 11 case. The priorities, liens, and security interests granted herein shall continue in this or any superseding case under the Bankruptcy Code, and any such liens and security interests shall maintain their priority as provided herein until satisfied and discharged subject to the Bankruptcy Code.

11. Upon reasonable prior notice from Sandton, Debtor shall allow Sandton access during normal business hours to its collateral for the purpose of inspecting or appraising such collateral. This Order, and each of its terms, shall be effective immediately upon entry by the Court.

IT IS FURTHER ORDERED that a continued hearing on Debtor's Motion for Authority to Use Cash Collateral shall be held by the Court in Courtroom 4 of the United States Bankruptcy Court for the District of Oregon, 1050 SW Sixth Avenue, Portland, Oregon 97204, on October 21, 2019, at 9:00 a.m. Within three business days after the entry hereof, Debtor shall

mail or otherwise serve a copy of this Order, together with a notice of the further hearing,  
pursuant to LBR 4001-1.D and LBF 541.50.

# # #

I certify that I have complied with the requirements of LBR 9021-1(a).

Presented by:

TONKON TORP LLP

By /s/ Michael W. Fletcher

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cc: List of Interested Parties

Western Communications  
Cash Collateral Budget

Data Type			Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Weeks Beginning - Mondays			6/3/2019	6/10/2019	6/17/2019	6/24/2019	7/1/2019	7/8/2019	7/15/2019	7/22/2019	7/29/2019	8/5/2019
Weeks Ending - Sundays			6/9/2019	6/16/2019	6/23/2019	6/30/2019	7/7/2019	7/14/2019	7/21/2019	7/28/2019	8/4/2019	8/11/2019
Source												
RECEIPTS (CR) - SOURCES												
R1	Advertising All	R1&R2	85,378	168,440	257,757	281,053	34,356	216,100	216,100	216,100	216,100	141,800
R2	Advertising Other	R1&R2	360	1,525	-	936	-	-	-	-	-	-
R3	Circulation Auto Renew CC	R3-R5	34,258	38,586	45,071	40,227	28,287	34,000	34,000	34,000	34,000	28,300
R4	Circulation Auto Renew ACH	R3-R5	10,407	16,038	13,581	10,978	8,109	9,800	9,800	9,800	9,800	8,100
R5	Circulation Auto Renew Check/Cash	R3-R5	68,156	76,267	78,310	66,998	48,627	33,400	33,400	33,400	33,400	26,700
R6	Other Receipts	R6	-	-	-	-	1,125,000	-	-	-	1,122,500	5,400
Total Receipts			198,560	300,855	394,719	400,191	1,244,379	293,300	293,300	293,300	1,415,800	210,300
DISBURSEMENTS (CD) - USES												
DL1	Gross Payroll	DL 1-3	148,962	138,825	148,130	-	387,434	107,600	107,600	107,600	107,600	89,600
DL2	Employer Taxes/Workers Comp	DL 1-3	15,471	15,442	14,945	-	39,916	-	47,300	-	26,600	20,700
DL3	Benefits (Health Ins./Retirement)	DL 1-3	25,447	7,510	17,514	7,275	21,172	1,000	1,000	1,000	1,000	800
Total Labor			189,880	161,777	180,589	7,275	448,522	108,600	155,900	108,600	135,200	111,100
D4	Property/Casualty/Liability Insurance	D4	-	-	-	38,849	-	4,900	4,900	4,900	4,900	4,900
D5	Carriers/Haulers/Freight	D5&D6	-	89,012	2,542	69,625	-	800	68,800	58,600	800	700
D6	Correspondents & Other Contract Labor	D5&D6	3,295	3,900	6,222	4,851	3,731	4,900	4,900	4,900	4,900	4,200
D7	News Bureaus	D7	4,571	10,133	5,667	2,678	10,630	8,300	8,300	8,300	8,300	5,800
D8	Newsprint	D8	16,905	37,376	105,150	1,659	34,197	47,100	47,100	47,100	47,100	25,600
D9	Chemicals/Ink	D9	-	-	2,711	18,086	46	1,700	1,700	1,700	1,700	1,900
D10	Postage	D10&D11	590	649	1,217	177	9,402	3,600	3,600	3,600	3,600	2,400
D11	Dues & Subscriptions/Software License Fees	D10&D11	2,344	899	46,785	21,490	3,355	2,300	2,300	2,300	2,300	2,100
D12	Utilities/Phone/Internet	D12&D13	4,905	5,447	64,375	18,652	6,906	9,800	9,800	9,800	9,800	6,500
D13	Utility Prepayments	D12&D13	-	-	-	-	-	-	-	-	-	-
D14	Maintenance - Building/Vechilces/Equipme	D14	4,010	1,744	7,404	4,082	2,587	5,500	5,500	5,500	5,500	2,700
D15	Other Operating Expenses	D15	10,338	5,767	29,911	15,653	12,852	17,400	17,400	17,400	274,100	15,100
D16	Capital Improvements	D16	-	-	-	-	-	-	-	-	-	-
D17	Professional Fees	D17	81	-	-	-	-	-	-	-	-	-
D18	US Trustee Fee	D18	-	-	-	-	-	-	-	42,277	-	-
D19	Interest - Sandton Debt (4.5%)	D19	-	-	-	-	-	835,300	-	-	-	865,800
Total Disbursements			236,920	316,703	452,573	203,078	532,227	1,050,200	330,200	314,977	498,200	1,048,800
Increase (Decrease) in Cash			(38,360)	(15,848)	(57,854)	197,114	712,151	(756,900)	(36,900)	(21,677)	917,600	(838,500)
Cash Beginning Balance			179,608	141,248	125,400	67,546	264,660	976,811	219,911	183,011	161,334	1,078,934
Cash Ending Balance - Book			141,248	125,400	67,546	264,660	976,811	219,911	183,011	161,334	1,078,934	240,434

Western Communications  
Cash Collateral Budget

		Data Type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Weeks Beginning - Mondays			8/12/2019	8/19/2019	8/26/2019	9/2/2019	9/9/2019	9/16/2019	9/23/2019	10/7/2019	10/14/2019
Weeks Ending - Sundays			8/18/2019	8/25/2019	9/1/2019	9/8/2019	9/15/2019	9/22/2019	9/29/2019	10/6/2019	10/20/2019
		Source									
RECEIPTS (CR) - SOURCES											
R1	Advertising All	R1&R2	141,800	141,800	141,800	-	-	-	-	-	-
R2	Advertising Other	R1&R2	-	-	-	-	-	-	-	-	-
R3	Circulation Auto Renew CC	R3-R5	28,300	28,300	28,300	-	-	-	-	-	-
R4	Circulation Auto Renew ACH	R3-R5	8,100	8,100	8,100	-	-	-	-	-	-
R5	Circulation Auto Renew Check/Cash	R3-R5	26,700	26,700	26,700	-	-	-	-	-	-
R6	Other Receipts	R6	-	-	-	25,400	-	-	-	25,400	-
Total Receipts			204,900	204,900	204,900	25,400	-	-	-	25,400	-
DISBURSEMENTS (CD) - USES											
DL1	Gross Payroll	DL 1-3	89,600	89,600	89,600	-	-	8,000	-	-	8,000
DL2	Employer Taxes/Workers Comp	DL 1-3	26,600	20,700	26,600	-	-	-	-	-	-
DL3	Benefits (Health Ins./Retirement)	DL 1-3	800	800	800	-	-	-	-	-	-
Total Labor			117,000	111,100	117,000	-	-	8,000	-	-	8,000
D4	Property/Casualty/Liability Insurance	D4	4,900	4,900	4,900	-	-	-	-	-	-
D5	Carriers/Haulers/Freight	D5&D6	53,400	45,500	700	-	-	-	-	-	-
D6	Correspondents & Other Contract Labor	D5&D6	4,200	4,200	4,200	-	-	-	-	-	-
D7	News Bureaus	D7	5,800	5,800	5,800	-	-	-	-	-	-
D8	Newsprint	D8	25,600	25,600	25,600	-	-	-	-	-	-
D9	Chemicals/Ink	D9	1,900	1,900	1,900	-	-	-	-	-	-
D10	Postage	D10&D11	2,400	2,400	2,400	-	-	-	-	-	-
D11	Dues & Subscriptions/Software License Fees	D10&D11	2,100	2,100	2,100	-	-	-	-	-	-
D12	Utilities/Phone/Internet	D12&D13	6,500	6,500	6,500	3,300	3,300	3,300	3,300	3,300	3,300
D13	Utility Prepayments	D12&D13	-	-	-	-	-	-	-	-	-
D14	Maintenance - Building/Vehicles/Equipment	D14	2,700	2,700	2,700	-	-	-	-	-	-
D15	Other Operating Expenses	D15	15,100	15,100	4,900	5,000	5,000	5,000	5,000	5,000	5,000
D16	Capital Improvements	D16	-	-	-	-	-	-	-	-	-
D17	Professional Fees	D17	-	-	-	-	-	-	-	-	-
D18	US Trustee Fee	D18	-	-	-	-	-	-	-	-	44,639
D19	Interest - Sandton Debt (4.5%)	D19	-	-	-	-	-	-	-	-	-
Total Disbursements			241,600	227,800	178,700	8,300	8,300	16,300	8,300	8,300	60,939
Increase (Decrease) in Cash			(36,700)	(22,900)	26,200	17,100	(8,300)	(16,300)	(8,300)	17,100	(60,939)
Cash Beginning Balance			240,434	203,734	180,834	207,034	224,134	215,834	199,534	191,234	200,034
Cash Ending Balance - Book			203,734	180,834	207,034	224,134	215,834	199,534	191,234	208,334	139,095

Western Communications  
Cash Collateral Budget

		Data Type	Forecast	Forecast
Weeks Beginning - Mondays			10/21/2019	10/28/2019
Weeks Ending - Sundays			10/27/2019	11/3/2019
		Source		
<b>RECEIPTS (CR) - SOURCES</b>				
R1	Advertising All	R1&R2	-	-
R2	Advertising Other	R1&R2	-	-
R3	Circulation Auto Renew CC	R3-R5	-	-
R4	Circulation Auto Renew ACH	R3-R5	-	-
R5	Circulation Auto Renew Check/Cash	R3-R5	-	-
R6	Other Receipts	R6	-	-
<b>Total Receipts</b>			-	-
<b>DISBURSEMENTS (CD) - USES</b>				
DL1	Gross Payroll	DL 1-3	-	-
DL2	Employer Taxes/Workers Comp	DL 1-3	-	-
DL3	Benefits (Health Ins./Retirement)	DL 1-3	-	-
<b>Total Labor</b>			-	-
D4	Property/Casualty/Liability Insurance	D4	-	-
D5	Carriers/Haulers/Freight	D5&D6	-	-
D6	Correspondents & Other Contract Labor	D5&D6	-	-
D7	News Bureaus	D7	-	-
D8	Newsprint	D8	-	-
D9	Chemicals/Ink	D9	-	-
D10	Postage	D10&D11	-	-
D11	Dues & Subscriptions/Software License Fees	D10&D11	-	-
D12	Utilities/Phone/Internet	D12&D13	3,300	3,300
D13	Utility Prepayments	D12&D13	-	-
D14	Maintenance - Building/Vehicles/Equipment	D14	-	-
D15	Other Operating Expenses	D15	5,000	5,000
D16	Capital Improvements	D16	-	-
D17	Professional Fees	D17	-	-
D18	US Trustee Fee	D18	-	-
D19	Interest - Sandton Debt (4.5%)	D19	-	-
<b>Total Disbursements</b>			8,300	8,300
<b>Increase (Decrease) in Cash</b>			(8,300)	(8,300)
<b>Cash Beginning Balance</b>			139,095	130,795
<b>Cash Ending Balance - Book</b>			130,795	122,495



# **EXHIBIT 1**

## **CASH COLLATERAL BUDGET**

## **LIST OF INTERESTED PARTIES**

*In re Western Communications, Inc.*  
**U.S. Bankruptcy Court Case No. 19-30223-tmb11**

### **ECF PARTICIPANTS**

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### **NON-ECF PARTICIPANTS**

#### **TOP 20 UNSECURED CREDITORS**

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Albany, OR 97322

Pacific Power Inc  
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Portland, OR 97256

Page Cooperative Inc.  
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#### **UCC PARTIES**

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#### **PROPERTY TAXES**

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Baker City, OR 97814

Curry County Tax Collector  
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Del Norte County Tax Collector  
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Crescent City, CA 95531

Deschutes County Tax Collector  
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1300 NW Wall St., #200  
Bend, OR 97701

Tuolumne County Tax Collector  
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Sonora, CA 95370-3248

Union County Assessor/Tax Collector  
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La Grande, OR 97850

Yazoo County Tax Collector  
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